

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3423

ANSWERED ON:18.12.2015

IRDA New Norms

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Will the Minister of FINANCE be pleased to state:

(a) whether the Government/Insurance Regulatory and Development Authority (IRDA) has announced a broadly-defined uniform framework/guidelines for reporting investment and asset liability management activities adopted by life and non-life insurance companies;

(b) if so, the details thereof and the status thereof;

(c) whether the Government proposes to allow insurers to invest in additional tier-I (T-I) bonds of banks and in good rating corporate bonds and if so, the details thereof; and

(d) whether the Government/IRDA is coming out with several regulations on corporate governance, accounting practices, reinsurance and corporate agents to create a platform to combat frauds in the Insurance Sector and if so, the details thereof?

Answer

Minister of State in the Ministry of Finance

(a) and (b): As per information received from Insurance Regulatory and Development Authority of India (IRDAI), investment of insurance companies are governed by the IRDA Investments Regulations, 2000 as amended from time to time. Asset Liability Management is left to the purview of the respective Board/ Investment Committee of the Insurers.

(c) As per information received from IRDAI, insurance companies are currently not allowed for investment in Additional Tier-1 Bonds of banks. However, investments in corporate bonds are allowed as per the Investment regulations of IRDAI.

(d) As per information received from IRDAI, the Authority is working on the following regulations/ guidelines:

i) Corporate Governance guidelines on account of changes in the Companies Act,2013 and other provisions,

ii) IRDAI Preparation of Financial Statements and Auditors Report of Insurance Companies Regulations (i.e. Accounting Regulations) on account of changes in the Insurance Amendment Act, 2015 and the Companies Act, 2013.

iii) Regulations for Registration and Operations of Branch Offices of Foreign Reinsurers (excluding Lloyd's). The regulation titled, IRDAI (Lloyd's India) Regulations, 2015, for registering and regulating operations of Lloyds India is at the draft stage.

IRDAI has notified IRDA (Registration of Corporate Agents) Regulations, 2015 on 20.08.2015 which prescribes procedures for grant of Certificate of Registration to Corporate Agents and Renewal of the Registration. The Regulations also prescribe code of conduct to corporate agents and procedure for taking disciplinary action in case of violation of code of conduct. This ensures fair market conduct by corporate agents and strict enforcement of the same help prevent the possible frauds in Corporate Agency Channel.